

PROVINCE OF SASKATCHEWAN



09-10

ANNUAL REPORT

**ENTERPRISE
SASKATCHEWAN**



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An electronic copy of this report is available at: www.enterprisesaskatchewan.ca.

Letters of Transmittal from the Minister



The Honourable Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it please your Honour:

The work of Enterprise Saskatchewan encompasses every sector and industry comprising the provincial economy. This work and its results are based on innovation, collaboration and partnership with our many stakeholders.

Saskatchewan is emerging from the remnants of the global recession quickly and with versatility, as many forecasters had predicted. These same forecasters are now expecting that our economic growth will be among the fastest in Canada for 2010 and again in 2011. The eyes of the world are seeking us out more and more for business opportunities, with Statistics Canada projecting private and public capital investment will increase to a record \$15 billion in 2010. Business optimism in Saskatchewan is the highest in the country, and with good reason.

Now, more than ever, we are working to press the Saskatchewan advantage wherever it may be found. The time is exactly right for seizing this advantage with opportunities that include initiatives like the New West Partnership that was signed this spring. This agreement between British Columbia, Alberta and Saskatchewan will create the largest interprovincial free-trade zone in Canada with nine million people and a combined GDP of over \$550 billion. You will find Enterprise Saskatchewan at the centre of this and other activities, details of which are in the pages that follow.

I respectfully submit the Annual Report of Enterprise Saskatchewan for the fiscal year ending March 31, 2010.

A handwritten signature in dark ink, reading "Ken Cheveldayoff". The signature is fluid and cursive, with the first name "Ken" written in a larger, more prominent script than the last name.

The Honourable Ken Cheveldayoff
Minister Responsible for Enterprise Saskatchewan

Letters of Transmittal from Chief Executive Officer



The Honourable Ken Cheveldayoff
Minister Responsible for Enterprise Saskatchewan

Dear Sir:

I have the honour of submitting the Annual Report of Enterprise Saskatchewan for the fiscal year ending March 31, 2010. This report has been prepared and carefully reviewed under my direction, and accurately represents the activities and accomplishments of our agency during the past year.

A handwritten signature in black ink, appearing to read 'C. Dekker'.

Chris Dekker
Interim Chief Executive Officer
Enterprise Saskatchewan

Introduction

This annual report represents Enterprise Saskatchewan's activities and results for the fiscal year ending March 31, 2010. It reports progress made on public commitments and other key accomplishments of the agency.

As the Government of Saskatchewan's central economic development agency, Enterprise Saskatchewan works directly with industry and other stakeholder groups to build on competitive strengths and overcome obstacles to sustainable economic growth. Enterprise Saskatchewan also plays an important co-ordinating role with other ministries and Crown corporations to ensure that policies and priorities across government are aligned with the economic growth agenda.

The 2009-10 Annual Report provides results on the publicly committed strategies, actions and performance measures identified in the Agency Plan for 2009-10. The report also demonstrates progress made on government commitments as stated in the Government Direction for 2009-10, the Minister's Mandate letter, throne speeches and other commitments.

This report contains two sets of financial figures: one for Enterprise and Innovation Programs, and one for Enterprise Saskatchewan. Programs governed by legislation and regulations are administered by Enterprise Saskatchewan on behalf of the Minister of Enterprise. These programs are funded under Vote 43 and will continue to require separate financial reporting under that heading.

The 2009-10 Annual Report sets the stage for the 2011-12 planning and budgeting process by providing an opportunity to assess accomplishments, results and lessons learned in order to build on past successes for the benefit of Saskatchewan people.

Mission Statement

Enterprise Saskatchewan provides leadership as the central co-ordinating agency of the Government of Saskatchewan for economic development. In partnership with key stakeholders, Enterprise Saskatchewan advances a transformative sustainable economic growth agenda and develops a culture of innovation and entrepreneurship that encourages investment and population growth, creating prosperity for all Saskatchewan residents.

Values Statement

Enterprise Saskatchewan's culture is driven by its values: collaboration, excellence, integrity, innovation and accountability. The agency's success is embodied by open communication, teamwork and actions that are transparent and consistent. Each employee is responsible for taking personal ownership in living these values. The organization is committed to providing work-life balance, developmental opportunities and a supportive work environment.

Collaboration

Our strength is collaboration with each other, our clients and stakeholders across both the public and private sectors in achieving our objectives.

Excellence

We strive to provide the very best and creative ideas, programs and services to our clients and stakeholders, both within and outside of government.

Integrity

We conduct our business in a professional manner by communicating openly, treating people consistently with respect, being honest and trustworthy, and respecting diversity.

Innovation

We seek creative solutions by having fun, encouraging risk-taking and being resourceful to enhance Saskatchewan's business environment.

Accountability

We take actions that are consistent with our values, accept responsibility for our actions, hold each other accountable and take pride in achieving meaningful results.

Alignment with Government's Direction

Enterprise Saskatchewan's activities in 2009-10 align with government's vision and three goals:

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Government's Goals

- Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.
- Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.
- Keep Government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Enterprise Saskatchewan is primarily concerned with creating conditions that foster sustainable economic growth in Saskatchewan. As mandated in its legislation, Enterprise Saskatchewan undertakes activities to continuously improve the competitiveness of Saskatchewan's business environment. Favourable conditions for economic growth provide the kind of opportunities that will allow Saskatchewan people to look confidently to the future. Economic growth, in turn, provides revenues to government that fund the programs and services associated with Saskatchewan's high standard of living.

Enterprise Saskatchewan is committed to being transparent and accountable to the people of Saskatchewan. The agency is led by an independent board of directors who represent a diverse range of interests and are truly a cross-section of Saskatchewan's economic stakeholders. The board is informed by the recommendations of numerous sector teams and strategic issues councils, which are comprised of private sector volunteers whose work represents an additional level of direct public involvement in Enterprise Saskatchewan's activities. Through these structures, and through semi-annual board progress reports as well as this annual report, Enterprise Saskatchewan remains open and accountable to the people of Saskatchewan.

Together, all ministries and agencies support the achievement of government's three goals and work towards a secure and prosperous Saskatchewan.

Agency Overview

Enterprise Saskatchewan is the central economic development agency of the Government of Saskatchewan, with responsibility for developing and implementing Saskatchewan's long-term growth strategy. Based on stakeholder participation and collaborative decision-making, Enterprise Saskatchewan makes economic strategy recommendations for the province; establishes, monitors and reports on key indicators of economic growth; enhances regional economic development; encourages entrepreneurship; and co-ordinates business attraction and marketing efforts to promote Saskatchewan as the best place to live, work, operate a business and invest.

Enterprise Saskatchewan functions as a special operating agency, led by a 12-member board of directors. The Minister of Enterprise chairs the board, with other members representing diverse interests, including business, labour, Aboriginal, rural municipalities, urban municipalities, post-secondary education, resource industries and agriculture, plus one member-at-large and another member of Cabinet.

During 2009-10, part of Enterprise Saskatchewan was spun off into a sister agency called Innovation Saskatchewan. Innovation Saskatchewan now assumes primary responsibility for activities related to innovation and commercialization, strategic management of research spending and related infrastructure, technology transfer and productivity improvement. Enterprise Saskatchewan will continue to work closely with Innovation Saskatchewan in areas of mutual interest.

The following key services are delivered by Enterprise Saskatchewan:

- **Sector Development** – Works to increase the growth and competitiveness of key economic sectors based on recommendations from sector teams of external industry advisors. The division also co-ordinates cross-government work on major economic development projects and undertakes activities with other partners to attract investment through lead generation, building strategic relationships with companies and industry associations, and strategic and aggressive promotional and sales efforts.
- **Competitiveness and Strategy** – Provides policy advice to government on cross-cutting issues affecting economic development based on recommendations from stakeholder-led strategic issues councils. The division also identifies economic

growth and social development measures, tracks ongoing performance and reports publicly on progress. The division leads the regulatory modernization agenda and related online services to business such as the BizPaL and Saskbiz websites.

- **Marketing and Communications** – Develops strategies to promote investment and economic development through tactics including sponsorships, event organization, media relations, advertising and marketing collateral materials. The division is responsible for the agency's website and web-related activities. It also supports work by other divisions by designing marketing plans around investment attraction events and missions, and Enterprise Saskatchewan programs and services. The division provides strategic communication advice to advance the agency's priorities and goals.
- **Regional Enterprise** – Manages funding and provides support to the 13 Enterprise Regions to help each region increase business and industry competitiveness, realize economic potential and compete globally. The division is also responsible for the development and promotion of business and competitiveness tools to support business retention, creation, expansion and succession; youth engagement and entrepreneurship education.
- **Investment and Corporate Services** – Administers programs such as the Western Economic Partnership Agreement, the Community Development Trust Fund program, and three Enterprise and Innovation programs: the Invest in Saskatchewan program, the Small Business Loans Associations program, and the Ethanol Fuel Grant program. The division also provides corporate services, including finance, human resources, information technology, legal and board services, and contract administration.

As the central economic development agency of the Government of Saskatchewan, Enterprise Saskatchewan works with all ministries, Crown corporations and agencies, as well as with a diverse group of stakeholders that includes business associations, chambers of commerce, individual businesses and other stakeholders with an economic interest. Enterprise Saskatchewan's 136 employees provide services through main offices in Saskatoon and Regina, six regional offices across the province, and the Canada-Saskatchewan Business Service Centre.

Progress in 2009-10

Enterprise Saskatchewan is primarily aligned with government's goal to "Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development."

Increase economic growth by engaging key stakeholders in economic development planning.

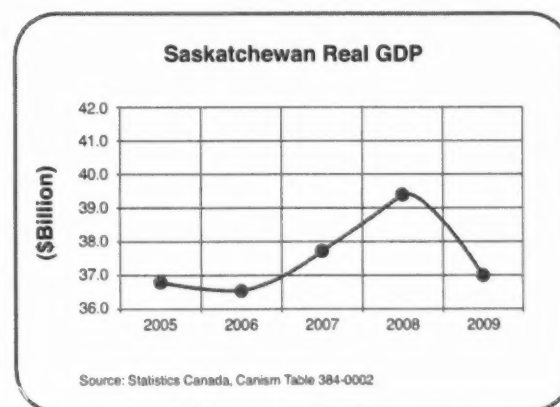
Results:

- Enterprise Saskatchewan provided secretariat support for 11 Enterprise Saskatchewan board meetings and 74 sector team or strategic issues council meetings.
- In total, work of the board, teams and councils resulted in 31 recommendations being advanced to the Government of Saskatchewan.
- Two Enterprise Regions summits were held as part of ongoing efforts to engage regional stakeholders in economic development planning. Three northern Enterprise Regions are being established in co-operation with the Ministry of First Nations and Métis Relations.
- Ten of 13 Enterprise Regions were involved in regional transport and infrastructure planning initiatives.
- Nine of 13 Enterprise Regions worked on regional asset inventories to assist in the formation of official community plans.
- Enterprise Saskatchewan worked to improve communication and co-ordination with other ministries by staging a one-day investment attraction workshop with Saskatchewan Trade and Export Partnership and by participating on working/co-ordinating groups related to Labour Market Strategy, Aboriginal Education, Entrepreneurship, Economic Achievement, Regulatory Modernization and Major Projects Co-ordination.

- Enterprise Saskatchewan's objective to develop a co-ordinated provincial infrastructure strategy was addressed through the Government of Saskatchewan's stimulus spending plan, which integrated with federal stimulus spending plans.
- Crown corporation co-operation in economic development activities was increased through the Major Projects Co-ordination strategy. Crown corporations are involved in eight of the 58 projects Enterprise Saskatchewan is co-ordinating.
- Enterprise Saskatchewan is supporting the implementation of regional economic development plans.

Measurement Results:

- Real Gross Domestic Product (GDP) measures the amount of goods and services produced by the provincial economy. It expresses the value of goods and services produced in 2002 dollars, so that rather than reflecting changes in price, only actual changes in output are reported.



- Saskatchewan experienced a 6.3 per cent decline in real GDP in 2009, largely as a result of the global economic downturn brought on by the financial crisis.

Leverage stakeholder relationships to increase investment in Saskatchewan.

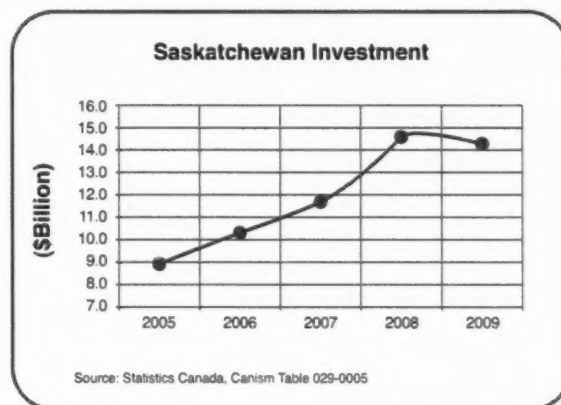
Results:

- Enterprise Saskatchewan worked with other government ministries and agencies to develop the *Saskatchewan. Opportunity Now* set of international marketing materials including a new website, sector brochures and videos, and other trade mission and trade show materials. Saskatchewan's visibility in domestic and international markets was increased through use of marketing materials under the new *Saskatchewan. Opportunity Now* visual identity.
- Enterprise Saskatchewan worked with other government ministries and agencies to organize the Saskatchewan Experience Centre at the 2010 Winter Olympics. The centre attracted more than 100,000 visitors. The agency worked with private-sector stakeholders to develop a guest list of current and potential investors for a business reception hosted at the Olympics. About 200 people attended the reception, including Saskatchewan business leaders who acted as ambassadors. Several business leads were generated and are being followed up.
- Enterprise Saskatchewan hosted a business reception in Calgary attended by 240 people in November 2009, as well as an investment event at the annual meeting of Canadian venture capitalists in April 2009 attended by 70 investors.
- The agency worked with Intergovernmental Affairs and other government ministries to begin preparations for the launch of the New West Partnership, as well as the Premier's mission to Asia.
- Enterprise Saskatchewan organized and/or supported trade missions in partnership with key stakeholders to Geneva, Turkey, Japan, China, Missouri, Denver and India.
- Officials from Enterprise Saskatchewan attended national and international trade shows in several key sectors, including the International Pulse Trade and Industry Conference, BIO 2009, Saskatchewan Mining Supply Chain Forum, and the North American Petroleum Expo.

- In-market consultants were hired to identify opportunities for investment attraction and collaboration in the United States, Midwest, California, Houston, Atlantic Seaboard, the United Kingdom, Dubai, and India.
- All of the Enterprise Regions were involved in investment attraction promotion through development of regional strategies, websites and regional profiles.
- A focus on investment attraction has led to a redesign of the agency website, and a media web portal is currently under development.

Measurement Results:

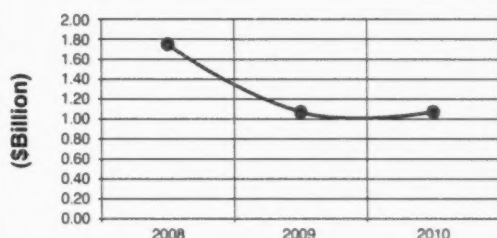
- Capital investment measures the cost of leasing, purchasing, constructing, installing, repairing and maintaining durable plant, machinery and equipment. Capital investment plans not only indicate management views of future prospects for their industry, but also signal the level of satisfaction with the provincial business environment.



- Saskatchewan led the country in the rate of growth in capital investment over the most recent five-year period, but the global economic downturn combined with problems in capital markets slowed growth by 2.8 per cent in 2009.

- Foreign direct investment (FDI) in Saskatchewan measures capital investment by foreign firms in new construction, machinery and equipment.

Saskatchewan Foreign Direct Investment



Source: Statistics Canada, Catalogue no. 61-232-X
(2009 preliminary actual; 2010 intentions)

- The credit crunch associated with the financial crisis in 2009 led to a 40 per cent decrease in Saskatchewan FDI from 2008 to 2009. Investment is expected to remain near 2009 levels in 2010, at approximately \$1.1 billion.

Improve the ease of doing business in Saskatchewan by reducing regulatory barriers and enhancing service delivery.

Results:

- A regulatory modernization strategy to reduce regulatory barriers to economic growth has been developed in conjunction with the Regulatory Modernization Council. The strategy has six key priorities with action items in each of these areas. Work has begun on a regulatory accountability initiative.
- As part of the regulatory modernization strategy, Enterprise Saskatchewan encouraged adoption of service-level commitments and standards for ministries and agencies that deal with businesses. The Ministry of Finance's *Taxpayer Service Commitments and Standards Code* was promoted as the preferred model.

- An online regulatory registry was developed to facilitate the advancement of public consultation on regulatory changes.

- Enterprise Saskatchewan worked with partners including the ministries of Finance and Justice, the Information Technology Office, Information Services Corporation (ISC) and Saskatchewan Workers' Compensation Board to enhance one-stop online services for business. Enterprise Saskatchewan plays a key role in an ISC proposal for a One-Stop Business Services website. BizPaL was expanded into 18 additional municipalities, and Saskbiz was transitioned to a new IT provider in preparation for expansion and enhancement of data and functionality.

- The Canada-Saskatchewan Business Service Centre handled over 320,000 client contacts, including 144,000 website visits.

- Enterprise Saskatchewan organized and hosted a Regulatory Modernization Conference, attended by 150 delegates from across Canada.

- The 2010 Red Tape Reduction Report was co-ordinated and published by Enterprise Saskatchewan to identify successes and areas for improvement in reducing regulatory burden for businesses.

Enhance the economic impact of innovation in Saskatchewan.

Results:

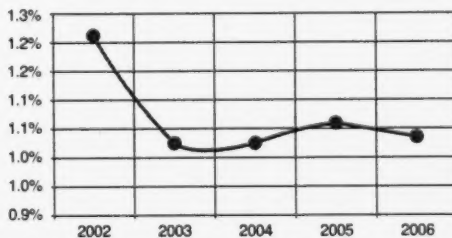
- Enterprise Saskatchewan assisted with the creation and successful launch of Innovation Saskatchewan on April 1, 2010. Until that time, the Innovation Saskatchewan Secretariat was part of Enterprise Saskatchewan.
- A successful innovation summit was held in April 2009. There was clear support expressed by attendees for increased efforts to encourage innovation in the province.
- Enterprise Saskatchewan, in conjunction with the Information Technology Sector Team, held discussions with Crown corporations to encourage strategic procurement and testing of technologies developed in Saskatchewan.

- Expenditure restraints delayed accomplishment of several key actions related to innovation, including activities to increase commercialization of technology and enhance industry productivity.
- Innovation Saskatchewan is working through the Provincial/Territorial Ministers Responsible for Innovation to encourage a more planned approach to support for ongoing operating costs of major research infrastructure.

Measurement Results:

- The amount of money spent on research and development in relation to the size of the economy is an important indicator of Saskatchewan's innovative capacity, and also reflects the province's capacity to adopt productivity-enhancing technologies developed elsewhere.
- In 2006, the most recent year for which data are available, Saskatchewan spent slightly over one per cent of its GDP on research and development activities. This was the second lowest percentage among the provinces.

R&D Expenditure as a Percentage of GDP



Source: Statistics Canada, Canism Table 358-0001

Foster a culture of entrepreneurship.

Results:

- The Entrepreneurship council has developed a strategic framework to help entrepreneurs create new businesses or purchase established businesses. The strategy is based on five pillars: access to information, financing, mentorship, entrepreneurship education, and competitiveness. The council has

recommended enhancements to financing programs and mentorship to smooth the path for entrepreneurs. Budget constraints have limited the ability of government to improve access to financing for entrepreneurs, but work is underway to create a virtual mentorship service that addresses geographic challenges associated with accessing mentorship.

- An independent study was commissioned to recommend enhancements to Saskatchewan's entrepreneurial development system. Discussions have been initiated with The Ministry of Education regarding an enhanced curriculum for entrepreneurship in the K-12 system.
- Enterprise Saskatchewan sponsored a Junior Achievement Talent Strategies Symposium in June 2009.

Increase First Nations and Métis involvement in the economy as partners.

Results:

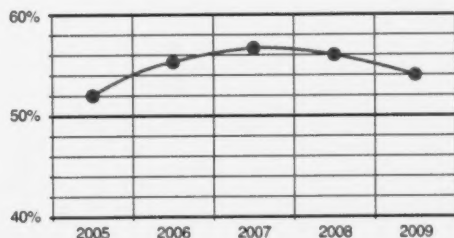
- The Aboriginal Economic Development Partnerships Council was not formed due to other consultative forums being led by the Ministry of First Nations and Métis Relations (FNMR).
- Enterprise Saskatchewan supported several Aboriginal economic development events such as the Nation-Building Workshops and the Prince Albert MinExplo Expo, a business forum focused on communicating opportunities in Saskatchewan's mineral sector. In October 2009, the agency sponsored the Canadian Council on Aboriginal Business's first luncheon event, which featured Mr. Don Drummond, Chief Economist for the TD Bank Financial Group, who provided insights into what the future holds for the Canadian economy and where Aboriginal business fits in.
- Enterprise Saskatchewan co-funded the Urban Aboriginal Strategy and the Métis Economic Development Strategy.
- Enterprise Saskatchewan worked with FNMR and the Clarence Campeau Development Fund to leverage \$5 million in additional funding from Indian and Northern Affairs Canada to support Métis economic development.

- Enterprise Saskatchewan hosts the Aboriginal Business Directory, which is an online directory of 252 Saskatchewan-based, Aboriginal-owned businesses. It markets these businesses directly to the Crown corporations and is designed to bridge the gap between the Crown sector and Aboriginal business community (www.aboriginalbusinessdirectory.com).
- Enterprise Saskatchewan hired McNair Consulting to provide advice for developing a new Aboriginal Economic Development Strategy for internal use in 2010-11.
- The Enterprise Saskatchewan Board of Directors has one designated Aboriginal representative, and the previous member-at-large was also Aboriginal. Enterprise Saskatchewan endeavoured to include one or two Aboriginal representatives on each of the 18 sector teams, the three strategic issues councils and the regional enterprise committees that were formed to improve the business environment within Saskatchewan.
- Funding for economic development plans and feasibility studies was provided through the CDTF to three First Nations.

Measurement Results:

- The Aboriginal employment rate is a high-level indicator of how successfully Saskatchewan's Aboriginal people are being integrated into the provincial economy. Achieving higher Aboriginal employment rates is a central element in strategies to meet future labour market needs in Saskatchewan.

Off-Reserve Aboriginal Employment Rate



Source: Statistics Canada, Labour Force Survey

- Saskatchewan's off-reserve Aboriginal employment rate has been declining since 2007, and was second lowest among the provinces in 2009, at 54.1 per cent.

Diversify the provincial economy by increasing value-added production to sustain economic growth.

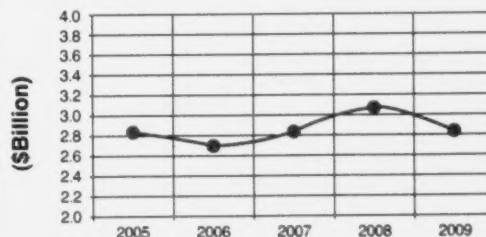
Results:

- A total of 31 recommendations were advanced to build on sector strengths and reduce barriers to growth.
- Enterprise Saskatchewan provided support to strategic partners including industry associations in order to strengthen emerging sectors of the economy. Funding was provided through the WEPA to Saskatchewan Environmental Industry and Managers Association (\$285,000), SaskInteractive Media Association (\$76,500), and Saskatchewan Advanced Technology Association (\$259,400). Communities of Tomorrow received \$4.2 million in operational and project funding through WEPA.
- Eight of 13 Enterprise Regions were involved in enhanced development of regional supply chains and clustering.

Measurement Results:

- Manufacturing sector Real GDP indicates changes in value-added production levels. Output is expressed in 2002 dollars to control for price fluctuations. It measures the combined performance of Saskatchewan's manufacturing industries.

Manufacturing Real GDP



Source: Statistics Canada, Canim Table 379-0025

- Depressed markets in the United States for Saskatchewan's manufactured goods combined with a high dollar to reduce manufacturing sector real GDP by 7.0 per cent in 2009.

Help to close Saskatchewan's labour market supply and demand gap.

Results:

- Enterprise Saskatchewan worked to develop partnerships between industry, labour, First Nations and Métis people and organizations, and training institutions to help close labour market supply and demand gaps. The agency contributed \$30,000 to FuturePaths this year, a project that will enable parents, youth, employers and career educators to make effective use of a web-based career planning portal. Enterprise Saskatchewan was also instrumental in establishing the Aircraft Maintenance Engineering (AME) program at SIIT. Six of 13 Enterprise Regions have actions identified that address regional labour market concerns.
- Enterprise Saskatchewan worked with the Saskatchewan Labour Market Commission in the release of its Labour Market Strategy: *Right People, Right Place, Right Time*.
- Nine of 13 Enterprise Regions undertook workforce and labour market development activities to support regional and integrated economic development.

A number of Enterprise Saskatchewan's activities are associated with government's goal to "Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy."

Facilitate greater participation of Saskatchewan's young people in the economy.

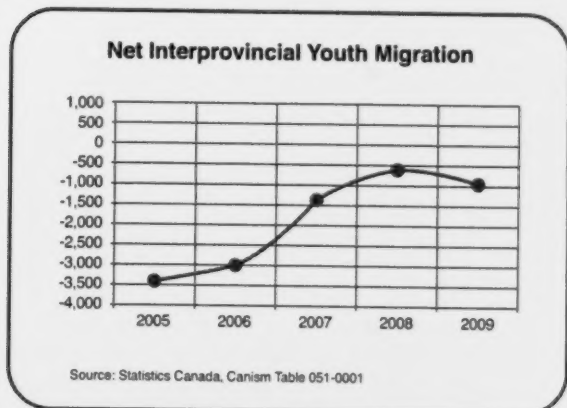
Results:

- A Youth Economic Engagement Council was established and has laid out a framework for a Youth Economic Engagement Strategy based on four pillars: youth entrepreneurship, education, youth in the workforce, and young people as leaders.
- Enterprise Saskatchewan worked with the Ministry of Advanced Education, Employment and Labour and the City of Saskatoon to implement a "Cool Communities" pilot project in order to help the city increase its appeal to young, highly skilled workers. Enterprise Saskatchewan funded development of a toolkit to help roll out Cool Communities across the province.
- To develop youth leadership within Enterprise Regions, Enterprise Saskatchewan sponsored 25 young people from around the province, including the north, to take leadership training from The Pacific Institute. A number of youth from across the province are being trained as facilitators to provide leadership training to youth within the Enterprise Regions.
- Regional Enterprise Saskatchewan offices, in partnership with Saskatchewan Young Professionals and Entrepreneurs (SYPE), are supporting the expansion of young professionals networks across the province. New SYPE chapters have been established in Prince Albert and Moose Jaw this year.

Measurement Results:

- Interprovincial youth net migration trends indicate how successful Saskatchewan is at retaining its young people. If youth are engaged in the economy and have positive perceptions of opportunities in Saskatchewan, they will more likely stay in the province.

- Only twice in the last 30 years has Saskatchewan's net interprovincial youth migration been positive. Outmigration has been declining since 2005, but 2009 witnessed a movement in the other direction.



Accelerate the growth of sustainable energy industries.

Results:

- Discussions with western provinces, the Government of Canada, and the Government of the United States related to an integrated carbon capture and storage research strategy are ongoing.
- Enterprise Saskatchewan funded an independent review of the biofuels sector in order to identify enhancements to the Ethanol Fuel Grant Program. Consultations with industry are ongoing in order to further define the program and better position the industry for growth and development.
- Enterprise Saskatchewan worked with the Ministry of Energy and Resources and other provincial ministries to assess the Uranium Development Partnership report and reply to its recommendations. Government is in discussions with Bruce Power about value-added opportunities other than nuclear power generation.

Increase federal funding support for Saskatchewan's economic infrastructure.

Results:

- Enterprise Saskatchewan supported the Ministry of Advanced Education, Employment and Labour in securing federal funding commitments related to ongoing operations of the Canadian Light Source synchrotron.
- Three Enterprise Regions share facilities with local Community Futures Development Corporations (CFDC) in order to leverage federal resources to efficiently deliver economic development services in the Enterprise Regions. One Enterprise Region shares a manager with the CFDC.
- In order to make better use of Foreign Affairs and International Trade Canada (DFAIT) consular services for marketing and investment attraction, Enterprise Saskatchewan invited DFAIT officials to participate in a one-day investment attraction workshop.

Ensure transparency and accountability in all aspects of Enterprise Saskatchewan's operations.

Results:

- Developed an economic benchmark reporting tool and published the results as *Measuring Saskatchewan's Progress: Performance Indicators for Saskatchewan's Economy* in October 2009. This will be an annual report. A companion report on community, workforce and quality of life indicators will be released in Spring 2010 and updated annually.
- Semi-annual progress reports on board recommendations were published in June and December. These reports provide the public with details of the progress of Enterprise Saskatchewan board recommendations. Enterprise Saskatchewan is compliant with all other Government of Saskatchewan reporting requirements and is developing a balanced scorecard to shed additional light on key aspects of its performance.

- The SBLA program and the Invest in Saskatchewan program were the subject of independent reviews. Suggested enhancements to the SBLA program were not all implemented this year due to budget constraints.
- Senior management and a number of other Enterprise Saskatchewan staff received LEAN training in order to facilitate adoption of continuous improvement practices in office processes. An agency team developed a plan to reduce waste in one of the primary office processes as the initial project.
- Nineteen projects, totaling \$9.12 million in provincial funding and a total of \$27.49 million combined federal/provincial and other partner funding, have been approved under WEPA III. A number of projects under WEPA II were also concluded in this fiscal year. The WEPA II agreement funded 52 initiatives over five years for a total of \$24.38 million in provincial funding and a total of \$98.22 million in total leveraged funding.
- The Strategic Investment Fund (SIF) provided \$4.15 million to support 15 initiatives of strategic importance to the province, such as research capacity and the development of innovative products and processes. The SIF was wound down April 1, 2010.

Provide effective economic development programs and services.

Results:

- An economic development toolkit including an updated Competitive Advantage Analysis and statistical profile for each Enterprise Region to support regional economic development activities was developed.
- The Invest in Saskatchewan Program, an Enterprise and Innovation program, encourages Saskatchewan employees and individuals to invest in funds or pools of capital called Labour-Sponsored Venture Capital Corporations (LSVCCs). These corporations invest in Saskatchewan-based, small and medium-sized businesses. The Invest in Saskatchewan program was enhanced by harmonizing tax credits for federally registered funds with provincially registered funds. Investors are now eligible for a 20 per cent provincial tax credit and a 15 per cent federal tax credit on the first \$5,000 invested each year in both provincial and national funds. A plan for marketing the Employee Ownership Option was developed based on advice from an independent review.
- The Community Development Trust Fund (CDTF) and the Western Economic Partnership Agreement (WEPA) were used to support high impact economic development projects. Enterprise Saskatchewan approved 22 projects under the CDTF, involving 14 northern communities and a total of \$17.8 million.
- Enterprise Saskatchewan administers the Small Business Loans Association (SBLA) program, an Enterprise and Innovation program, which celebrated its 20th year of operations in 2009. The SBLA program provides capital loans up to \$15,000 to local businesses. In 2009-10, \$2.77 million in loans were disbursed by local loans associations.
- The Youth Opportunities Unleashed (YOU) program is an enhancement to the SBLA program that provides additional training and support to young entrepreneurs, aged 18 to 34. Seventy-one loans for a combined total of \$926,949 were made to YOU clients in 2009-10.
- The Ethanol Fuel Grant program, an Enterprise and Innovation program, supports the development of the ethanol industry in Saskatchewan. Approximately \$22.3 million was provided to six ethanol distributors during the 2009-10 fiscal year. This represents ethanol production of approximately 232 million litres. In 2009, Saskatchewan saw an increase in ethanol production of 109 million litres due to an increase in the number of ethanol facilities.
- The Enterprise Regions program provides funding support to help each region increase business and industry competitiveness, realize economic potential and compete globally.
- Enterprise Saskatchewan partnered with other ministries and the federal government through the Community Adjustment Fund to support projects such as a new North West Regional College student residence and road construction at Carrot River to provide access to a peat moss development.

Measurement Results:

- Saskatchewan's two provincial pool funds are well-established and showed continued strong performance in 2009-10 in terms of raising and deploying capital.

- SBLA loan activity declined by approximately 25 per cent in 2009-10.

INVEST IN SASKATCHEWAN PROGRAM RESULTS

	2009-10	Program to Date (1969-2010)
Employee Funds		
Number of registrants	6	30
Funds raised	\$431,055	\$10,224,781
Funds invested	\$99,990	\$9,828,277
Provincial tax credits issued	\$84,793	\$2,006,148
Jobs created or maintained (gross)	45	1,785
Provincial Pool Funds		
Number of investors	19,998	107,677
Funds raised	\$60,371,148	\$330,026,579
Funds invested	\$47,911,077	\$270,689,584
Number of investments	58	398
Number of companies funded	34	219
Provincial tax credits issued	\$12,014,770	\$65,774,267
National Pool Funds		
Number of investors	248	72,767
Funds raised	\$417,148	\$189,943,241
Funds invested	\$377,304	\$91,704,000
Number of investments	7	66
Number of companies funded	2	32
Provincial tax credits issued	\$83,430	\$31,764,898

SMALL BUSINESS LOANS ASSOCIATION PROGRAM

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
# of Loans	477	378	365	341	257
Loan amount (\$ millions)	4.86	4.08	4.18	3.82	2.77
Jobs created	513	575	600	558	476
Jobs maintained	763	797	648	574	404

2009-10 Financial Overview

Enterprise Saskatchewan

The agency's original revenue budget for 2009-10 was \$47.305 million, consisting of revenue from the provincial government's General Revenue Fund (GRF) providing funding for operations. Actual revenue received totaled \$47.395 million, generating a variance of \$90,000. This variance primarily consisted of revenue from other sources including cost-sharing agreements and realization of \$1.034 million from the cancellation of a contract expensed in 2008-09. Enterprise Saskatchewan's total GRF operating grant was reduced by \$1.899 million as a result of the contract cancellation, and \$507,000 identified in a fiscal restraint exercise.

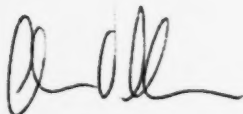
Actual expenditures in 2009-10 were \$39.426 million, producing a variance of \$7.879 million below an expense budget of \$47.305 million. This decrease was mainly attributed to delayed project start-ups in the Community Development Trust Fund and the Western Economic Partnership Agreement programs. Further savings were realized due to administrative savings, vacancy management and fiscal restraint exercise.

The annual surplus for Enterprise Saskatchewan in 2009-10 totalled \$7.969 million, adding to the \$11.323 million surplus at the beginning of the year for a total \$19.292 million. A total of \$15.222 million of this surplus is being held as designated assets for program commitments that overlap fiscal years. The remaining surplus will be used for ongoing contractual obligations and operational requirements.

**Enterprise Saskatchewan
Report of Management
for the Year Ended March 31, 2010**

The accompanying financial statements are the responsibility of the management of Enterprise Saskatchewan. They have been prepared in accordance with generally accepted accounting principles for the public sector, using management's best estimates and judgements, where appropriate. Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements, and other financial information contained in this report. Management is also responsible for maintaining a system of internal controls, policies and procedures designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The board of directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Office of the Provincial Auditor has audited the agency's financial statements in accordance with generally accepted auditing standards and their report follows.



Chris Dekker
Interim Chief Executive Officer
June 16, 2010



Denise Haas, CMA
Chief Financial Officer
June 16, 2010

Enterprise Saskatchewan

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of Enterprise Saskatchewan as at March 31, 2010 and the statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended.

Enterprise Saskatchewan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of Enterprise Saskatchewan as at March 31, 2010 and the results of its operations, and its cash flows for the year ended in accordance with Canadian generally accepted accounting principles.



Brian Atkinson, FCA
Acting Provincial Auditor

Regina, Saskatchewan
June 3, 2010

Statement 1

Enterprise Saskatchewan Statement of Financial Position as at March 31

(thousands of dollars)

	<u>2010</u>	<u>2009</u> (Note 11)
Financial Assets		
Due from General Revenue Fund (Note 3)	\$ 24,639	\$ 14,515
Accounts Receivable	<u>372</u>	<u>143</u>
	<u>25,011</u>	<u>14,658</u>
Liabilities		
Accounts Payable and Accrued Liabilities	<u>5,964</u>	<u>3,356</u>
Net Financial Assets (Statement 3)	<u>19,047</u>	<u>11,302</u>
Non-financial Assets		
Tangible Capital Assets	228	-
Prepaid Expenses	<u>17</u>	<u>21</u>
	<u>245</u>	<u>21</u>
Accumulated Surplus (Statement 2)	<u>\$ 19,292</u>	<u>\$ 11,323</u>

(See accompanying notes to financial statements)

Statement 2

Enterprise Saskatchewan Statement of Operations and Accumulated Surplus for the Year Ended March 31

(thousands of dollars)

	Annual Budget 2010	Actual 2010	Actual 2009 (Note 11)
Revenue			
Grants from the General Revenue Fund	\$ 47,305	\$ 45,406	\$ 28,175
Other	—	1,989	191
	<u>47,305</u>	<u>47,395</u>	<u>28,366</u>
Expenses			
Administration	8,835	7,943	3,753
Regional Enterprise	3,234	2,837	2,403
Marketing and Communications	4,127	5,315	2,346
Competitiveness and Strategy	2,266	1,862	937
Sector Development and Innovation	3,342	4,044	2,287
Investment Programs	<u>25,501</u>	<u>17,425</u>	<u>5,317</u>
	<u>47,305</u>	<u>39,426</u>	<u>17,043</u>
Annual Surplus	<u>\$ —</u>	\$ 7,969	\$ 11,323
Accumulated Surplus, Beginning of Period		11,323	—
Accumulated Surplus, End of Period (Statement 1)		<u>\$ 19,292</u>	<u>\$ 11,323</u>

(See accompanying notes to financial statements)

Statement 3

Enterprise Saskatchewan Statement of Change in Net Financial Assets for the Year Ended March 31

(thousands of dollars)

	<u>2010</u>	<u>2009</u> (Note 11)
Annual Surplus	\$ 7,969	\$ 11,323
Acquisition of Tangible Capital Assets	(228)	—
Amortization of Tangible Capital Assets	—	—
Decrease (Increase) in Prepaid Expenses	4	(21)
Increase in Financial Assets	<u>7,745</u>	<u>11,302</u>
Net Financial Assets, at Beginning of Period	<u>11,302</u>	<u>—</u>
Net Financial Assets, at End of Period (Statement 1)	<u>\$ 19,047</u>	<u>\$ 11,302</u>

(See accompanying notes to financial statements)

Statement 4

Enterprise Saskatchewan Statement of Cash Flows for the Year Ended March 31

(thousands of dollars)

	<u>2010</u>	<u>2009</u>
		(Note 11)
Cash Provided by Operating Activities		
Cash Receipts from General Revenue Fund	\$ 45,406	\$ 28,032
Cash Receipts from Other Operating Activity	701	191
Cash Paid to Suppliers and Employees	(35,755)	(13,708)
Cash Provided by Operating Activities	<u>10,352</u>	<u>14,515</u>
Cash Used in Capital Activities		
Purchase of Tangible Capital Assets	<u>(228)</u>	<u>-</u>
Increase in Cash Equivalents	<u>10,124</u>	<u>14,515</u>
Due from General Revenue Fund, Beginning of Period	<u>14,515</u>	<u>-</u>
Due from General Revenue Fund, End of Period	<u>\$ 24,639</u>	<u>\$ 14,515</u>

(See accompanying notes to financial statements)

Enterprise Saskatchewan

Notes to the Financial Statements

for the Year Ended March 31, 2010

1 Status of Enterprise Saskatchewan

Enterprise Saskatchewan was established under the provisions of *The Enterprise Saskatchewan Act* proclaimed on July 29, 2008.

Enterprise Saskatchewan was created to further the economic goals of the Government of Saskatchewan. Enterprise Saskatchewan is a corporate body eligible to receive monies primarily appropriated by the Legislature for these purposes.

2 Significant Accounting Policies

These financial statements are prepared using Canadian generally accepted accounting principles appropriate for the public sector and reflect the following significant accounting principles:

a) Revenue

Revenue is recognized in the period in which the transactions or events occurred that give rise to the revenue.

b) Expenses

Expenses represent the cost of resources consumed during the year for operations and grants made to third-party organizations. Grants are recognized as expenses in the period during which the transfer is authorized and eligibility criteria are met.

c) Non-financial Assets

Non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge existing liabilities unless they are sold.

d) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the Statement of Operations and Accumulated Surplus in the period in which they become known.

e) Tangible Capital Assets

Tangible capital assets are recorded at cost and are amortized over their useful life once they are in service. Amortization is recorded on a straight line basis as follows:

Leasehold and Occupancy Improvements	lesser of useful life or lease term
Vehicles	5 Years
Computer Software	3 Years/life of Warranty
Computer Hardware	5 Years
Computer System Development	5 Years
Non-Electronic Office Equipment	5 Years
Electronic Office Equipment	3 Years
Communication System Development	3 Years

Enterprise Saskatchewan

Notes to the Financial Statements

for the Year Ended March 31, 2010

3 Due from the General Revenue Fund

Enterprise Saskatchewan's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. No interest is paid on Enterprise Saskatchewan's average daily account balance.

4 Budget Approval

Enterprise Saskatchewan's 2009-10 budget was approved by the Board on June 25, 2009, and appears on Statement 2.

5 Related Parties

These financial statements include routine transactions with related parties. Enterprise Saskatchewan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan.

The Ministry of Government Services provides accommodation and property management, transportation services, purchasing, risk management, records management, telecommunications and mail distribution to Enterprise Saskatchewan without charge. The Public Service Commission provides Enterprise Saskatchewan with human resource administration and payroll services without charge.

Since November 1, 2008, Enterprise Saskatchewan provided the Minister of Enterprise with ongoing administration of the Small Business Loans Association program, Ethanol Fuel Grant program, and the Labour-sponsored Venture Capital Corporations program without charge.

Related party transactions to March 31 include the following:

Related Parties

(thousands of dollars)

	2010	2009
		(Note 11)
Accounts Receivable	\$ 290	\$ 16
Other Revenue	300	56
Expenses	5,449	2,386

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, Enterprise Saskatchewan pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases.

Enterprise Saskatchewan Notes to the Financial Statements for the Year Ended March 31, 2010

6 Financial Instruments

Enterprise Saskatchewan's financial instruments include: Due from the General Revenue Fund, Accounts Receivable and Accounts Payable and Accrued Liabilities. The carrying amount of these instruments approximates fair value due to their short-term nature. These instruments have no material interest or credit risk.

7 Expense by Object

(thousands of dollars)

	March 31, 2010	March 31, 2009
		(Note 11)
Expenses		
Goods and Services	\$ 8,222	\$ 3,953
Grants and Transfers	18,611	6,105
Salaries and Benefits	11,775	6,439
Travel	818	546
	<u>39,426</u>	<u>17,043</u>

8 Contractual Obligations

Contractual obligations include:

Enterprise Saskatchewan has lease agreements primarily with the Ministry of Government Services, a related party, for office space.

Enterprise Saskatchewan has operating agreements that enable day-to-day operations of the agency.

Enterprise Saskatchewan has program related obligations to expand innovation and enhance the competitive ability of the Saskatchewan economy such as Western Economic Partnership Agreement, Strategic Investment Fund, Community Development Trust Fund, Enterprise Regions and Saskatchewan Trade and Export Partnership.

(thousands of dollars)

	Leases	Operational	Programming	Total
2010-11	\$ 1,033	\$ 1,304	\$ 12,524	\$ 14,861
2011-12	860	108	5,857	6,825
2012-13	807	—	4,952	5,759
2013-14	754	—	—	754
2014-15	470	—	—	470
	<u>\$ 3,924</u>	<u>\$ 1,412</u>	<u>\$ 23,333</u>	<u>\$ 28,669</u>

Contractual obligations do not include those contracts that are paid on a usage basis. Contracts transferred to Innovation Saskatchewan April 1, 2010 are included in these totals.

Enterprise Saskatchewan Notes to the Financial Statements for the Year Ended March 31, 2010

9 Designated Assets (thousands of dollars)

Enterprise Saskatchewan is holding \$15,222 as designated assets to be spent on the following programs in the future years.

- Enterprise Regions \$55
- Western Economic Partnership Agreement \$4,751
- Community Development Trust Fund \$10,341
- Strategic Investment Fund \$75

10 Tangible Capital Assets

(thousands of dollars)

	Communication System Development	2010 Totals	2009 Totals
Opening Cost	\$ -	\$ -	\$ -
Additions during the year	228	228	-
Closing Cost	228	228	-
Opening Accumulated Amortization	-	-	-
Amortization for the Year	-	-	-
Closing Accumulated Amortization	-	-	-
Net Book Value of Tangible Capital Assets	\$ 228	\$ 228	\$ -

11 Comparative Information

Enterprise Saskatchewan commenced operations on July 29, 2008; therefore, comparative information is for the eight-month period July 29, 2008, to March 31, 2009.

2009-10 Financial Overview

Enterprise and Innovation Programs

Since November 1, 2008, Enterprise Saskatchewan provides the Minister of Enterprise with ongoing administration of the Enterprise and Innovation Programs including the Small Business Loans Association program, Ethanol Fuel Grant program, and the Labour-sponsored Venture Capital Corporations program. For each of these programs, the Ministry of Finance authorized and disbursed the related payments from the GRF and recorded the receipt of cash into the GRF.

Expenditures

The original appropriation budget for Enterprise and Innovation Programs in 2009-10 was \$22.133 million. Actual expenditures in 2009-10 were \$22.497 million, producing a variance of \$363,000 above the original budget. This is mainly attributed to a \$1.334 million over expenditure on the Ethanol Fuel Tax Rebate program due to an increase in consumption and production in 2009-10, offset by savings of \$971,000 realized in the Small Business Loans Association program due to lower interest rates and reduced uptake. The programs received \$1.1 million in special warrant funding for the additional fiscal expenditures in the ethanol program.

For each program within Enterprise and Innovation Programs, ongoing administration included the following:

- For the Small Business Loans Association program, Enterprise Saskatchewan processed new loans of \$2.772 million, collected loan repayments of \$3.921 million, and monitored existing loans totaling \$10.24 million at March 31, 2010.
- For the Ethanol Fuel Grant program, Enterprise Saskatchewan processed expenditures of \$22.334 million.
- For the Labour-sponsored Venture Capital Corporations program, Enterprise Saskatchewan processed tax credits of \$12.6 million and recovered tax credits of \$191,000. The total new capital of \$63 million is being monitored for investment pacing requirements.

Financial Schedules 2009-10

Enterprise and Innovation Programs – Schedule of Expenses (unaudited)

in thousands of dollars

Expenses	2009-10 Estimate	2009-10 Actual	Variance Over/ (Under)	2008-09 Actual*	Variance Notes
Central Management and Services (E101)	\$ –	\$ –	\$ –	\$ 2,114	
Investment Programs (E103)					
Regional Economic Development Authorities	\$ –	\$ –	\$ –	\$ 1,793	
Small Business Loans Associations					
- Concessionary Allowance	466	187	(279)	271	1
Small Business Loans Associations					
- Loan Loss Provision	667	(25)	(692)	126	2
Western Economic Partnership Agreements	–	–	–	560	
Strategic Investment Funds	–	–	–	2,966	
Ethanol Fuel Grant program	21,000	22,334	1,334	19,281	3
Subtotal	\$ 22,133	\$ 22,496	\$ 363	\$ 24,997	
Industry Development (E109)	\$ –	\$ –	\$ –	\$ 1,944	
Regional Development (E104)					
Regional Development	\$ –	\$ –	\$ –	\$ 932	
Special Projects and Investment Services	\$ –	\$ –	\$ –	\$ 557	
Subtotal	\$ –	\$ –	\$ –	\$ 1,489	
Policy and Planning (E102)	\$ –	\$ –	\$ –	\$ 217	
Enterprise Saskatchewan (E108)	\$ –	\$ –	\$ –	\$ 22,123	
Saskatchewan Trade and Export Partnership Inc. (E107)	\$ –	\$ –	\$ –	\$ 1,680	
Budget Appropriation	\$ 22,133	\$ 22,496	\$ 363	\$ 54,564	
Special Warrant	\$ 1,100	\$ –	\$ (1,100)	\$ –	
Total Appropriation	\$ 23,233	\$ 22,496	\$ (737)	\$ 54,564	
Capital Asset Acquisitions	\$ –	\$ –	\$ –	\$ –	
Capital Asset Amortization	\$ –	\$ –	\$ –	\$ 27	
Total Expenses	\$ 23,233	\$ 22,496	\$ (737)	\$ 54,591	
Total Revised Estimates and Expenses	\$ 23,233	\$ 22,496	\$ (737)	\$ 54,591	

* The former Ministry of Enterprise and Innovation transferred funding to Enterprise Saskatchewan for agency operations. These financial schedules have been prepared in accordance with the government's accrual accounting policies.

Financial Schedules – Notes

Expenditures

1 Lower Interest rates and reduced utilization under the Small Business Loan Association program.

2 Reduced utilization under the Small Business Loan Association program.

3 Ethanol Fuel Tax Rebate program over expenditure due to an increase in consumption and production of ethanol combined with reduced ethanol imports.

Third Party Funding

Enterprise and Innovation Programs – Third Party Funding 2009-10 Threshold \$25,000

Third Party Funding (Transfers)	Amount (\$ Thousands)	Description
Small Business Loans Associations	\$ 187	SBLAs are community-run organizations that provide loans of up to \$15,000 to entrepreneurs that have difficulty finding financing through traditional means.
Ethanol Fuel Grant program	\$ 22,334	Funding to support the development of an ethanol industry in the province.
Total	\$ 22,521	

Revenues

Enterprise and Innovation Programs reports revenue from the Small Business Loans Association program related to application fees submitted by loan applicants, imputed interest revenue based on the amount of loan funds provided to clients each fiscal year and reimbursement of miscellaneous revenue. All revenue received is deposited in the General Revenue Fund.

Below is a summary of the Enterprise and Innovation Programs 2009-10 comparison of budgeted revenue to actual revenue.

Enterprise and Innovation Programs – Revenue Schedule (unaudited)

<i>in thousands of dollars</i>				
	2009-10 Estimate	2009-10 Actual	Variance Over/ (Under)	Variance Notes
Other Interest Revenue	\$ 367	\$ 357	\$ (10)	
Sales, Services and Service Fees	\$ 30	\$ 16	\$ (14)	
Other Revenue	\$ 123	\$ 818	\$ 695	1
Total Revenue	\$ 520	\$ 1,191	\$ 671	

Financial Schedules – Notes

Explanations of variances exceeding \$25,000 between Estimates and Actuals.

Revenue

- 1 Primarily attributed to refund prior years' Ethanol Fuel Grant program payable estimate.

For More Information

This report provides information about our accomplishments and our future plans. If you have any additional questions or comments or would like a copy of the report, we invite you to call (306) 787-6315.

Or contact:

Enterprise Saskatchewan
Communications
300-2103 – 11th Avenue
Regina, SK S4P 3Z8

Or send us an e-mail through our website:
www.enterprisesaskatchewan.ca

Visit our website to find out about:

- 2010-11 Provincial Budget documents
- Plan for 2010-11
- Programs and services

The Enterprise Saskatchewan Board of Directors has published a March 2010 Progress Report, which highlights the board recommendations and progress made on those recommendations over the last year.

Appendices

Loan Disclosure

Small Business Loans Association Program

The Small Business Loans Association (SBLA) program was established in 1989. SBLAs, which are community-run organizations, may access interest-free revolving lines of credit of up to \$200,000. An SBLA then uses this line of credit to make loans of up to \$15,000 to

individual businesses. The program encourages the diversification of the province's economy and supports economic development by providing funding to entrepreneurs and small businesses.

<i>in thousands of dollars</i>	Budget	Actual	Variance Over/ (Under)
Beginning Balance	\$11,598	\$11,598	0
Additions			
- Loan Disbursements	5,500	2,772	2,728
Reductions			
- Loan Loss Provision Balance	3,191	2,626	565
- Imputed Interest Costs Balance	906	715	191
- Client Remittances and Bad Debt Expense	5,280	4,130	1,150
Ending Balance	\$ 7,721	\$ 6,899	\$ 822

Explanation of Variance

The number of SBLA loans in 2009-10 was lower than anticipated, which resulted in surplus funds of \$822,000, compared to budget.

Organizational Chart

(Internal Organization as of March 31, 2010)

